


## Memorandum

*Flex your power!  
Be energy efficient!*

To: DISTRICT DIRECTORS  
DISTRICT DIVISION CHIEFS  
PROGRAM PROJECT MANAGEMENT

Date: July 25, 2005

From:  **RICHARD D. LAINE**  
Chief Engineer

 **CINDY MCKIM**  
Chief Financial Officer

Subject: Risk Vote and Risk Advertisement Directive

The Risk Advertisement Directive is being updated to strengthen accountability and include Risk Votes. Projects may be risk voted (CTC fund allocation without all constraints being cleared) or risk advertised (advertised without all constraints being cleared) only upon written request and approval as outlined below. The district needs to show that the project acceleration benefits of a risk vote or advertisement outweigh the associated risks. Specifically, the Department needs to ensure that limited allocation authority is only used on projects immediately ready for construction. Districts are responsible for obtaining all necessary concurrences and approvals.

### Risk Advertisement and Risk Vote Process

District Director to request and obtain approval from the Chief Financial Officer for Risk Votes or the Chief Engineer for Risk Advertisements using the attached form and steps:

- District fills out "Request for Risk Advertising and Risk Vote" form.
- District attaches to the request a risk management plan as outlined in the Department's Project Risk Management Handbook.
- District Director signs request.
- District obtains concurrence from Headquarters' Division Chief responsible for each constraint policy that has not been cleared. Concurrence may be documented on the attached form, by e-mail or other written communication.
- District obtains approvals from the Chief Financial Officer for Risk Votes or the Chief Engineer for Risk Advertisements.
- Districts send completed request with concurrences and approvals both to the Chief, Division of Transportation Programming (MS #82) (Fax 8-464-2738) and to the Chief, Division of Engineering Services-Office Engineer (MS#43) (Fax 8-498-6151).

DISTRICT DIRECTORS, et al.

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Constraints must be cleared 3 weeks prior to bid opening or bid opening may be postponed or cancelled.

This directive applies to projects voted or advertised under a Right of Way Certification 3 or 3W. To clear the constraint, a R/W Certification 3 must be upgraded to a 1, 2 or 3W and a R/W Certification 3W must be updated.

For contracts with funds allocated by the CTC, advertisement can only occur after allocation. For federally funded projects, advertisement can only occur after completion of the applicable conditions in the Code of Federal Regulations, Title 23, Chapter 1, Part 635, Section 309, "Authorization," and after federal authorization of funds.

If you have any questions or require further information, please contact Ross A. Chittenden, Chief, Division of Programming at (916) 654-4013, or John C. McMillan, Deputy Division Chief, Division of Engineering Services-Office Engineer at (916) 227-6300.

#### Attachments

c: Will Kempton  
John C. McMillan  
Ross Chittenden

## Memorandum

*Flex your power!  
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To: DISTRICT DIRECTORS

Date: July 27, 2005

From: ROSS A. CHITTENDEN  
Chief  
Division of Transportation Programming

Subject: Projects Ready for California Transportation Commission (CTC) Allocation

Director Kempton has committed that projects receiving a CTC allocation be awarded within 4 to 6 months to ensure that transportation funds included in the State budget be immediately put to work to improve mobility. Concurrently, the CTC adopted a resolution at their July 14, 2005 meeting requiring that projects not awarded in four months be reported to the CTC and that projects not awarded in six months require a time extension. This requirement is for both Caltrans and local agency projects.

Projects must be ready to immediately proceed to advertisement and contract award upon receipt of a CTC allocation. Traditionally, projects that are Ready-to-List have been considered for a CTC allocation even when existing constraints prevent the project from being ready to advertise. Within the next few days, you will receive a new directive that combines risk vote / risk advertisement approval into a single process. To receive a vote prior to all constraints being cleared, you will be asked to provide the same information required under the existing risk advertisement process. The process requires defining outstanding constraints and targeted clearance dates, explaining why the Department should assume risk of seeking a risk vote, and obtaining concurrence from affected Headquarters Division Chiefs responsible for the constraint that has not been cleared. Additionally, a risk management plan needs to be included to ensure the project is targeted for award within four months and risks can be mitigated to ensure the project is actually awarded in six months.

This process applies for projects being considered for an August vote. My staff will seek this information informally until the final directive is signed and issued. If you have any comments or questions, please contact me at (916) 654-4013.

c: Deputy District Directors, Program/Project Management  
RLand  
CMcKim  
BBuckley  
KSutlif

## REQUEST FOR RISK ADVERTISING AND RISK VOTE

Date: \_\_\_\_\_

Check appropriate box(es):

☐ Risk Advertisement Request:

☐ Risk Vote Request:

Send completed request with all concurrences and approvals to:

Chief, Division of Transportation Programming (MS #82) (Fax 8-464-2738.)

AND:

Chief, Division of Engineering Services-Office Engineer (MS#43) (Fax 8-498-6151)

If you have any questions or require further information, please contact the Chief, Division of Programming at (916) 654-4013, or the Chief, Division of Engineering Services-Office Engineer at (916) 227-6300.

This process includes projects advertised under a Right of Way Certification 3 or 3W.

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### **PROJECT IDENTIFICATION**

Dist.-Co.-Rte-PM: \_\_\_\_\_ EA: \_\_\_\_\_ PPNo: \_\_\_\_\_

Location Description: \_\_\_\_\_

Work Description: \_\_\_\_\_

Current Estimate: \_\_\_\_\_

Program: \_\_\_\_\_ Programmed Amount: \_\_\_\_\_

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### **SPECIFIC CONSTRAINTS NOT CLEARED:**

(District commits to clearing constraint 2 weeks prior to bid opening)

Constraint

Target Cleared Date

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WHY MUST THE DEPARTMENT ASSUME THIS RISK?: (describe business case, e.g. benefit of accelerated delivery, public safety issues, coordination of this work with other contracts, etc.)

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RISK MANAGEMENT PLAN:

Provide a Risk Management Plan following the guidance in the Project Risk Management Handbook: [http://www.dot.ca.gov/hq/projmgmt/guidance\\_prmhb.htm](http://www.dot.ca.gov/hq/projmgmt/guidance_prmhb.htm)

(Some examples of adverse consequences are misallocation of State Highway Account funds, loss of federal funds, loss of Departmental staff time, cost of materials, increased project costs due to loss of bidder time and resources, exposure of subcontractor bids, project delays if project needs to be re-advertised.)

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REQUESTED BY:

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DISTRICT DIRECTOR

Date

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DIVISION CHIEF CONCURRENCE(S) TO GO FORWARD WITH RISK

(May be an attached e-mail from the Division Chief or his/her documented designee)

Constraint

Division Chief Name

Division Chief Signature

Date

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APPROVALS

Risk Advertisement

Risk Vote

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RICK LAND

Date

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CINDY MCKIM

Date